United Nations E/2014/58

Economic and Social Council

Distr.: General
17 April 2014

Original: English

2014 session
Item 5 (c) of the provisional agenda*
High-level segment: annual ministerial review

Letter dated 3 April 2014 from the Chargé d'affaires a.i. of the Permanent Mission of the Sudan to the United Nations addressed to the President of the Economic and Social Council

I have the honour to attach herewith the national report of the Sudan on progress towards the achievement of the internationally agreed goals, including the Millennium Development Goals, for the annual ministerial review to be held during the high-level segment of the 2014 session of the Economic and Social Council (see annex).

I should be grateful if you would circulate the present letter and its annex as a document of the Council, under item 5 (c) of the provisional agenda.

(*Signed*) Hassan Hamid **Hassan**
Chargé d'affaires a.i.
Deputy Permanent Representative

* E/2014/1/Rev.1, annex II.

14-30483 (E) 190514

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Annex to the letter dated 3 April 2014 from the Chargé d'affaires a.i. of the Permanent Mission of the Sudan to the United Nations addressed to the President of the Economic and Social Council

National report of the Sudan on progress towards the achievement of the internationally agreed goals, including the Millennium Development Goals

Summary

The current status of human development and Millennium Development Goal indicators suggests that the Sudan has made remarkable progress in regard to a number of them, particularly those relating to peace, health and education. Available evidence suggests that education, health, gender equity, social protection and standards of living have expanded significantly in spite of the numerous challenges facing the Sudan internally and externally. However, progress has been slowed by the eruption of violent conflict and the resulting impacts on institutional stability and social capital. While the human development trend at the country level shows some signs of recovery and growth over time, achievements across the regions and administrative states in the Sudan vary considerably, owing to the prevailing patterns of development. During the past two decades, the Sudan has made considerable progress in governance reforms and peacemaking. The signing of the Comprehensive Peace Agreement (2005), which ended the prolonged war in Southern Sudan, and the adoption of the federal system are among the major achievements.

Since independence, the Sudan has been confronted with a wide range of challenges that hinder its development. For instance, the social, economic and political costs of conflicts in the Sudan have been extremely high. The secession of South Sudan has resulted in two challenging issues that seriously affect the development performance of the Sudan. The first is the spread of conflict in new areas and the second is the loss of the bulk of oil revenues, resulting in far-reaching economic and social impacts. In addition, the Sudan is facing the challenge of overcoming inherited wide geographical disparities in development through the creation of an inclusive and broad-based growth in the presence of the current unilateral economic sanctions and the unresolved debt problem. Moreover, the Sudan is facing the challenge of dealing with massive population movement (internally displaced persons, refugees and migrants) caused by instability of the neighbouring countries and the continuation of internal conflicts. The Sudan also faces serious environmental challenges resulting mainly from the existing extractive livelihood systems, climate change and conflict. The enhancement of human and institutional capacities for better planning and implementation of development plans is quite crucial in post-conflict Sudan. Last but not least, the Sudan is challenged by creation of effective development partnerships with various actors, which would contribute effectively to meeting the growing development challenges.

In spite of the sizable development assistance provided by various development partners, the bulk of resources availed were humanitarian in nature. Moreover, evidence suggests that progress in respect of Millennium Development Goal 8, on developing a global partnership for development, has been disappointing owing to limited commitment by development partners. A significant share of donor assistance to the Sudan has been implemented through United Nations agencies, international

non-governmental organizations and international private contractors. Pooled funding has been the dominant modality; the World Bank and the United Nations are the largest implementing agencies, and the largest amount of support comes through the Multi-donor Trust Fund. However, there is growing concern as to the effectiveness of pooled funding projects and implementation modalities based on direct execution. Finally, to ensure optimal performance and progress towards achieving the Millennium Development Goals, the Sudan and its people will need to overcome a wide range of challenges. This requires commitment of the resources required, as well as efficient and effective planning, coordination and a true partnership approach among governmental and non-governmental organizations, the private and community sectors and the international community.

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I. Country context

Demography

1. The Sudan is one of the most geographically diverse countries in Africa, with a population divided along lines of ethnicity, tribe and economic activity. More than 40 per cent of its population is below 15 years of age, a typical feature of a developing country. High population growth in the country (2.4 per cent) implies enormous challenges in terms of service provision and acceleration of economic growth, as well as environmental sustainability, resource management and social equity. In spite of the rapid pace of urbanization (which rose from 8.3 per cent in 1956 to approximately 40 per cent in 2008), the Sudan remains rural in social, economic and cultural outlook, with the majority of its population (36,163,778 in 2013) living in rural areas. Sectoral distribution of the labour force shows that 44.6 per cent of the population is employed in the agricultural sector while 40.1 per cent is engaged in service sector activities. The industrial sector employs 15.3 per cent of the population. Overall, two thirds (64.4 per cent) of the population of the Sudan live in rural areas, with some states having a higher or lower proportion of rural populations. For example, only 19.1 per cent of the population of Khartoum state is rural, whereas 45 per cent of the population in Red Sea state is rural. The rural populations in the remaining states range from 67.8 per cent in White Nile state to 82.3 per cent in Northern state. However, the Sudan is currently experiencing a phenomenal level of rural-to-urban migration which is driven in part by drought and desertification and by the better living conditions in urban areas. The inadequacy of basic health and education services outside Khartoum also plays a role.

Economy

2. The exploitation of oil since 1999 has created a remarkable change in the structure of the Sudanese economy; from being predominantly reliant on agriculture for growth and exports, the country shifted to reliance on the oil sector. Because of oil, the Sudan experienced its longest and strongest period of growth since independence, when the size of the economy in terms of gross domestic product (GDP) grew substantially, with the real GDP growth rate averaging nearly 8 per cent during the nine-year period ending in 2008. The strong economic expansion generated by oil has, however, been unbalanced; the inherited regional inequality and disparity in service provision remain striking while exports of key products have fallen, in large part because of reduced competitiveness, leading to "jobless growth". The country remains with a substantial external debt that in 2012 amounted to about $43.2 billion in nominal terms (more than 70 per cent of GDP).[1] Although data gaps are substantial, it is believed that the majority of those who are economically active are involved in informal economic activities.[2]

3. The exploitation of oil has also created a major geopolitical shift in the foreign policy of the Sudan, allowing for new strategic relationships with key players in Asia, namely, India, Malaysia and, more importantly, China. Because of the strategic relationship with China, the Government of the Sudan managed to counterbalance the unilateral economic sanctions that have been in place since 1989.

[1] International Monetary Fund (IMF), "Sudan: 2013 article IV consultation", IMF Country Report No. 13/317 (Washington, D.C., October 2013).

[2] United Nations Development Assistance Framework, 2009-2012.

However, the secession of South Sudan on 9 January 2011, set in motion by the Comprehensive Peace Agreement signed in 2005, has created a new reality in the country, with far-reaching economic, political and social implications. The economic and financial losses related to the secession are substantial and have affected all the sectors of the economy.

Social

4. The performance of the Sudan in the social sector has been greatly affected by protracted conflicts and institutional deficiencies. The robust GDP growth over the past decade has not been broad based enough to effect a substantial reduction in poverty. The adoption of the federal system in the presence of inadequate institutional and human capacities has limited the ability of the Government to render local social services. Therefore, the process of decentralization, introduced in 1992 to address regional disparities in the country, has brought to light severe institutional and human capacity challenges.[3]

5. The Sudan has witnessed massive population movements (internally displaced persons) caused by natural disasters and conflicts. The internally displaced, essentially the product of war and conflict, especially in the Darfur region and Blue Nile state, are largely living in camps (Darfur), while others are either in squatter settlements (Khartoum) or invisible to the outside world (Nuba mountains and Blue Nile). The internally displaced are vulnerable to complex issues of human security and conditions.

Political

6. Since achieving independence in 1956, the Sudan has witnessed a remarkable level of political instability, as reflected by the six alternating democratic and military regimes. During the past decade, it has witnessed a challenging political process prompted by the signing of the Comprehensive Peace Agreement that ended the prolonged era of civil war between Northern and Southern Sudan, a process largely supported by international and regional efforts. In that regard, the Government successfully organized the national elections and referendum on self-determination in Southern Sudan, which was held on schedule in January 2011. However, following the secession of South Sudan, several issues remained unsolved, including border demarcation, instability in the Abyei area, oil-processing and exportation fees, debt and the armed forces of the Sudanese People's Liberation Movement-North which remained in Blue Nile and Southern Kordofan states. These issues have led to instability and tensions across borders and the resumption of conflict in Blue Nile and Southern Kordofan. Nevertheless, in response to the numerous challenges facing the Sudan, the National Congress Party, winner of the 2010 election, has formed wider government in which several political parties have participated. Recently, the President initiated a broad dialogue with all political parties with the objective of forming a unified national vision to address the numerous challenges confronting the Sudan, both internally and externally.

[3] African Development Bank Group, "Sudan: Country Brief — 2010/2011: Regional Department, East II (OREB)" (October 2012).

II. Situation analysis: achievements and challenges

Major achievements

7. The current status of human development and Millennium Development Goal indicators suggests that the Sudan has made notable progress in regard to a number of them, particularly those relating to peace, health and education. Available evidence suggests that education, health and standards of living have expanded in the Sudan over the past 30 years. However, progress has been severely slowed by the eruption of violent conflict and the resulting impacts on institutional stability and social capital.[4] Besides, while the human development trend at the country level has shown some signs of recovery and growth over time, achievements across the Sudan's regions and administrative states in the country vary considerably.

Governance and peacemaking

8. During the past two decades, the Sudan has made considerable progress in governance reforms and peacemaking. There were a number of achievements, including:

- Adoption of the federal/decentralization system with the objectives of promoting public participation, empowerment of communities and curbing regional disparities.
- Progress in building peace since the signing of the Comprehensive Peace Agreement in 2005. The Eastern Sudan Peace Agreement signed in 2006 is still functioning, with appreciated achievements. Following the signature of the Doha Document for Peace in Darfur in July 2011, key structures stipulated by the Agreement have been established and are functional. The Darfur Regional Authority was launched and assumed full functions in February 2012 and is now legally empowered to oversee recovery and development initiatives. The Council of the Authority, established in October 2012, operates as a supervisory body to monitor and organize the Authority's substantive competencies and to recommend legislative amendments where necessary.
- Adoption of the Interim National Constitution , which stresses commitment to a decentralized multi-party democratic system of governance; a peaceful transfer of power; values of justice, equality, human dignity and equal rights and duties of men and women; and political advancement towards the enhancement of economic development, promotion of social harmony, deepening of religious tolerance and building trust and confidence in the society.[5]
- Presidential and parliamentary elections held within the agreed time frame.
- The peaceful and credible completion of the South Sudan referendum in 2011.

[4] Sudan Ministry of Welfare and Social Security and United Nations Development Programme (UNDP), *Sudan National Human Development Report 2012* (UNDP Khartoum, 2012).

[5] Interim National Constitution of the Republic of the Sudan.

Growth in gross domestic product and reduction of poverty

9. In the early 1990s, the Sudan started to adopt and implement a package of home-grown economic reforms known as the economic liberalization policies.[6] However, starting in the late 1990s and continuing for about one decade, the Sudanese economy recorded good GDP growth, maintained a relatively stable exchange rate, held inflation down to single digits, substantially increased government revenues, and registered a sustainable external balance. The increase in foreign direct investment, largely driven by the oil sector as well as the boom in the services sector (especially construction, transportation and communication), has stimulated the recent growth performance. Up to 1999, the year in which Sudanese exports of oil began, the contribution of the petroleum sector to GDP was negligible. Prior to that date, the shortage of petroleum products was a permanent handicap impeding the economy, production and development. Since 1999, oil gradually became a cornerstone of the Sudanese economy, as indicated by its contribution to GDP, foreign trade and government revenue. Needless to say, the significant contribution of oil to one or all of the economic indicators meant it had a considerable impact over almost all aspects of the economy and society.

10. The situation changed dramatically after 2011 and the secession of South Sudan where the bulk of oil fields are located, leading to huge pressure on the economy of the Sudan. The economic deterioration, which had already started prior to separation owing to the global financial crisis, was further aggravated by the economic sanctions. Official estimates of the cost of the secession of South Sudan were a loss of 75 per cent of oil production, 50 per cent of budget revenues, more than 65 per cent of foreign exchange revenues and 80 per cent of total exports. As a result, the annual growth rate declined from more than 5 per cent in 2010 to about 2.5 per cent in 2011; in 2012, the economic growth rate was negative. Inflation, which fell to single digits during the high growth period, started to climb at unprecedented rates, reaching about 42 per cent in 2013 compared to 13 per cent and 15 per cent in 2010 and 2011, respectively.[7]

11. Following the secession of South Sudan, the Government of the Sudan adopted a three-year economic sustainability programme (2012-2014) designed to absorb the consequences of loss of oil revenues. The programme consists of four sets of policy measures (fiscal policies, monetary and credit policies, productive sector policies and social sector policies). Recent statistics show that, despite the numerous challenges, the economy recorded positive growth rates during 2011, 2012 and 2013, estimated at 2.5 per cent, 1.96 per cent and 3.6 per cent, respectively.[8]

12. The Sudan is committed to reducing the burden of poverty and, to this end, has attached great importance to improving public service delivery, creating employment and establishing safety nets. The trend of the Government's pro-poor spending has been increasing in recent years and, by means of the Investment

[6] The policies included reducing substantially government spending on basic social services, liberalizing internal and foreign trade, removing subsidies, devaluing the currency, raising taxes, curbing public employment and privatizing some State-owned manufacturing.

[7] Sudan Ministry of Finance and National Economy, "The real sector: current position, challenges and future prospects", paper presented at the first Economic Forum, Khartoum, 26 and 27 November 2012.

[8] Hassan Ahmed Taha , "Evaluation of the three-year programme for economic sustainability", paper presented at the second Economic Forum, Khartoum, 23 and 24 November 2013.

Encouragement Act, the Government has offered generous incentives to domestic and foreign investors to invest in agriculture, manufacturing and services with a view to increasing growth and employment. The Government has also initiated and expanded the provision of microfinance to a large segment of the population. Recently, the Government introduced social initiative programmes to support vulnerable groups which include the extreme poor, homeless, orphans and poor pensioners.[9]

13. Throughout the history of the Sudan, high levels of poverty were the outcome of a complex set of interrelated factors, including the bias against rain-fed agriculture (low productivity) and the absence of pro-poor policies,[10] the erosion of governance, the persistent traditional nature of the rural economy, the absence of disaster management strategies, the loss of land capability to desertification and the spread of conflicts within the context of an accelerated pace of population growth and globalization. Moreover, the economic embargo, the debt burden (with no relief) and the lack of development partners have worsened the situation.

Information and communications technology as a model for effective public-private partnership

The State, considering the obstacles and barriers facing the public sector in general, and the important sector of telecommunications in particular, adopted the Economic Rescue Programme, whereby the sector was liberated to perform in a free competitive environment. The Programme emphasized the role of the sector in the social and economic development process and demanded an end to the State monopoly that had existed thereto. The Programme invited the private sector to contribute to investment in the industrial sector, whether privately or on a principle of sharing with the public sector. Therefore, within the purview of the Economic Rescue Programme, many reform steps were taken to restructure the sector and eradicate the State monopoly.

Currently, the Sudan is considered to be one of the countries acceptably prepared for the information era. Internet usage statistics show that the Sudan has 6.5 million Internet users as of June 2012, representing 19 per cent of the population and 3.9 per cent of Internet connectivity. Furthermore, the Sudan is sixth on the list of Africa's top 10 Internet countries, despite high levels of poverty. Sudanese mobile users exceed 27 million. Therefore, the status of modern information technology and of the advanced communication technology recently established in the Sudan can provide an excellent opportunity to further information and communication technology for development within the strategies and approaches of the Programme, thereby achieving broader outreach and substantive development results.

[9] "Sudan: interim poverty reduction strategy paper", IMF Country Report No. 13/318 (Washington, D.C., October 2013).

[10] Adopted policies of adjustment and liberalization have particularly hit the poor, especially the rural population.

Education

14. Government policies are geared towards the provision of free and compulsory basic education for all. This commitment is reflected in the Interim National Constitution, as well as the Twenty-Five-Year National Strategy (2007-2031). The National Plan for Education for All, developed in 2003, contains detailed activities, programmes and an estimated budget. However, considerable efforts are still needed to ensure significant improvement in all basic education indicators in order to ensure quality education for all by 2015. In addition, there is also a Five-Year Plan (2007-2011) which is an integral part of the aforementioned Strategy. Both provide a roadmap for the further development of education with the aim of making solid progress towards achieving Millennium Development Goal 2 by 2015. The establishment of a directorate for girls' education, as stipulated in the Girls' Education Policy, at both the federal and state levels in 2000 represents one of the important policy tools for reducing gender gaps in education.

15. National education trends have served as the driver of human development progress in the Sudan over the past three decades. Combining gross enrolment ratios at all school levels and adult literacy, the education index for the Sudan has grown at nearly twice the rate of other Human Development Index components. Gains in primary and tertiary enrolment are largely behind the improvements in education. Between 2005 and 2009, the gross enrolment rate in basic education rose from 68 per cent to 82 per cent and the net admission rate in first grade rose from 29.7 per cent to 48 per cent. With regard to secondary education, the fastest relative growth during the past 10 years was recorded in 2008/2009, when it reached 6 per cent. Higher education witnessed significant expansion during the period from 1990 to 2011. In 1990, the number of institutions was limited (5 universities, 2 private colleges and 12 technical colleges). In 2011, the number of higher education institutions rose to 30 government universities, 6 private universities, 44 colleges and higher institutes and 20 technical colleges. Accordingly, the intake capacity of the higher education institutions reached more than 500,000 students, representing 10 per cent of the population aged 17 to 23 years.[11] Therefore, one of the important causes of the expansion in education has been tertiary-level enrolment.

16. The slow pace of improvement in literacy, however, highlights potential challenges in the quality of education.[11] Moreover, primary enrolment is the other central factor in education advances, although at a slower pace than university-level gains. Despite the persistent gender gap in primary education, there has been considerable improvement owing to the efforts made by the Government over the past five years. At the tertiary level, it is evident that there is a higher rate of enrolment of girls than boys.

[11] Hassan Abdel Ati, ed., "Sudan population: changes and challenges", National Population Council, Khartoum, 2012.

Contribution of United Nations agencies and their partners to education

United Nations agencies and their partners contributed significantly to the provision of educational services, particularly for the vulnerable in remote and war-affected areas. For instance, in 2012 sector partners together provided access to education for over 120,000 children, nearly 50 per cent of whom were girls. Moreover, over 220 classrooms were constructed or rehabilitated and some 1,250 teachers trained, contributing to a total of nearly 240,000 children receiving an improved quality of learning against a target of 350,000. (United Nations, Sudan: United Nations and Partners Work Plan 2013 (Office for the Coordination of Humanitarian Affairs, Sudan Office, 2012).)

Health

17. The strategic objectives of the health sector, as stated in the National Health Sector Strategic Plan (2012-2016), have been focused on improving equity in access to and utilization of health services and on improving the responsiveness and efficiency of the health system to meet the expectations and needs of the people. The strategic direction emphasizes the strengthening of primary health care, the strengthening of referral care by improving and ensuring the quality and efficiency of hospital services and ensuring social protection by increasing health insurance coverage, reducing reliance on out-of-pocket payments and providing a universal minimum package.

18. In spite of the numerous health-related risk factors prevailing in the Sudan, such as conflict, natural disasters and environmental hazards, some progress has been made in regard to health indicators: namely, those on malaria, infant mortality, child mortality and maternal mortality. The progress achieved in reducing child mortality has been modest and more efforts are needed to further reduce current child mortality rates.

19. Malaria is considered the major health problem in the Sudan. Estimates show that the rate of new infections in 2009 reached about 7,430 per 100,000 population. The Ministry of Health and the World Health Organization exerted enormous efforts to curb the epidemic. Those efforts have had a positive impact in reducing infection rates, with the national average falling from 33 per cent in 1990 to about 5 per cent in 2010.[11]

20. With regard to child mortality indicators, estimates show that the rate in the Sudan is relatively high compared to other countries with similar socioeconomic and cultural status. The infant mortality rate is estimated at 60 per 1,000 live births, more than one half of which are neonatal deaths (34 per 1,000 live births), with others occurring in the post-neonatal period. The under-5 mortality rate is estimated at 83 per 1,000 live births. There has been a significant decrease in the under-5 mortality rate in the Sudan over the years; it fell from 123 in 1990 to 83 in 2010 (a 33 per cent decline), while the neonatal mortality rate declined by only 11 per cent during the same period.[12]

[12] Sudan National Population Council, "Health-related Millennium Development Goals: progress made and agenda for post-2015" (Khartoum, 2013).

21. With regard to the maternal mortality rate, the national figure is estimated at 216 deaths per 100,000 live births, reflecting an observed enormous decline from 1990 estimates of 537 deaths per 100,000 live births. Interventions implemented in this area focused on increasing accessibility and improving the quality of reproductive health services through training of medical assistants in the provision of reproductive health services. In addition, intense awareness-raising efforts were exerted through the development of information, education and communication material addressing the various reproductive health issues, as well as through national and local broadcasting media in the various states.

Gender equity and empowerment of women

22. As discussed above, considerable achievements were realized in enhancing gender equality in access to basic social services. In addition, progress towards gender equality in the labour market was assessed on the basis of the share of women wage workers in the non-agricultural sector expressed as a percentage of total wage employment in that sector. Over the period 1990-2000, significant progress was made in the Sudan; the share of women in paid non-agricultural activity rose from 18 per cent to 30 per cent. However, the two most recent population censuses in 1993 and 2008 put women's economic participation rate at 26 per cent and 25 per cent, respectively.

23. Over the period 2004-2010, there was a 15 percentage point increase in the number of seats occupied by women in parliament. Currently, 25 per cent of the parliamentary seats are occupied by women compared with 9.7 per cent in 2004.

24. Among the interventions undertaken to improve gender equity and women's empowerment are the following:

- A national plan for combating gender-based violence, administered by the Unit for Combating Violence against Women, Ministry of Justice, was promulgated in 2005.
- The Government adopted a national policy on women's empowerment in 2007.
- The national civil servant law (2007) affirmed the principle of free competition in selection for jobs, reaffirmed the principle of equal pay for equal work and stressed selection and promotion according to merit.
- The 1991 criminal law was amended in 2009 to include a provision on special protection for women during armed conflict.
- The general directorate for developing and organizing the banking system adopted economic programmes responsive to women by means of a decree issued by the Sudan Central Bank in 2007.

25. Further efforts, however, are needed to eliminate disparities among regions and to narrow gender gaps in education and employment of women.

Social protection

26. Social protection policies and programmes in the Sudan include social insurance, for example, pensions (to ensure a minimum income in old age), health insurance (to protect the well-being of households in the face of adverse events), social assistance through targeted programmes (to increase the access of vulnerable

groups to basic services) and labour market policies and programmes (to promote employment, productivity and microfinance). These programmes complement the delivery of basic health and education services, financial services, the provision of utilities and economic infrastructure, and other policies and programmes aimed at reducing poverty and managing risk.

27. An important and primary social protection mechanism in the Sudan is *zakat*, an Islamic measure for wealth distribution and building of productive capabilities that is playing an important role as a source of social assistance for the poor. Expenditure on the poor from the *zakat* fund as a percentage of total government pro-poor spending constituted about 3.2 per cent in 2004. The contribution declined steadily thereafter, reaching 1.4 per cent of total pro-poor expenditure in 2008,[13] due mainly to an increase in government pro-poor spending.

28. One of the social support schemes adopted by the Ministry Welfare and Social Security is the Social Initiative Programme, which has eight components. The Programme is aimed at providing an integrated package of services for 500,000 families from the poorest households. In addition, the project is also aimed at providing a diverse range of health services, education and income-generating activities for other poor households. However, social protection schemes in the Sudan are challenged by the fiscal adjustments being undertaken in response to the reduction in oil revenues that followed the secession of South Sudan. This has led to the suspension of subsidies on key commodities in addition to other austerity measures which, coupled with the pressures on the foreign reserve position of the country, have aggravated the situation of the poor.

Community-driven initiatives

The biggest initiative by far is the Community Development Fund, which is financed by the Government and donors to the Multi-donor Trust Fund. The main objective of the Community Development Fund is to meet urgent community-driven recovery and development needs in the war-affected and underdeveloped areas of the Sudan, including North Kordofan, South Kordofan, Blue Nile and Kassala states and Abyei area, by providing social and economic infrastructure. Another key objective of the Fund is the empowerment of communities and local government entities to initiate and lead local-level, community-driven development activities. Since its establishment in 2006, the Fund has supported over 1,100 community initiatives intended to improve access to and quality of basic services for the communities affected by the conflict and that were less developed in the past. (International Monetary Fund, 2013)

[13] Sudan Ministry of Welfare and Social Security, National Population Council, "Sudan Millennium Development Goals progress report 2010" (Khartoum, 2010).

Sector-specific challenges

Economy

Loss of substantial share of oil revenues

29. As a result of the secession of South Sudan, the Sudan lost a considerable source of budget and external account revenues. Immediately after secession on 9 July 2011, the flow of oil revenue from the Southern Sudan oil fields, which had accounted for around 75 per cent of the Sudan's total oil production during the transitional period, stopped. The loss of oil revenues had a significant adverse impact on the Sudan's economic growth, mostly through reduced government consumption and investment, as well as a deteriorating trade balance. The share of the oil sector, prior to secession, is estimated to have accounted for about 16 per cent of GDP, 90 per cent of exports and about 54 per cent of budget revenue. Owing to the considerable losses in oil revenues (approximately $6 billion), the rate of economic growth slowed down by 2 per cent in 2012. Furthermore, the secession of South Sudan caused a loss of 20 per cent of GDP and 90 per cent of export revenue. On the fiscal front, the budgetary deficit reached 6 per cent of GDP. Hence, an unavoidable fiscal adjustment has significantly reduced public spending which had previously accounted for over 20 per cent of nominal GDP. In addition, inflation rates have increased tremendously and reached more than 40 per cent. The country is also facing serious shortages in foreign exchange reserves which have been almost depleted following the global financial crisis and the loss of oil revenues. This has led to considerable depreciation of the national currency and the re-emergence of an expanding parallel market for foreign currencies. Investment decisions are also expected to be affected by the unfavourable macroeconomic factors manifested in high inflation rates and restrictive measures in regard to exchange rates, adopted by the Government in view of the lack of foreign currencies.

Conflict and its cost

30. The social, economic and political costs of conflict in the Sudan have been extremely high and have involved the loss of human lives, enormous human insecurities, erosion of governance, massive loss of economic resources, derailing of development interventions, a wide sense of social despair and obvious political instability. The current Darfur crisis has resulted in a serious humanitarian crisis, manifested in a massive population movement in which people, mainly traditional farmers, have been displaced; hundreds of thousands have also been displaced in South Kordofan and Blue Nile states since 2011.

31. Other developmental costs of conflict are quite high but involve many complexities, which include widespread violence, especially against women and children; decline in production; destruction of physical, human and social capital; reduction of the country's investment ratio to less than one third of the potential ratio under normal conditions; and reduction of potential per capita GDP by a cumulative rate of 8 per cent.[14] In addition, such costs contribute to widening regional disparities that further perpetuate the persistence of conflicts.

[14] Ali Abdel Gadir and Paul Wani, "Opportunities and challenges in the post-peace era in Sudan", background paper presented to the United Nations Development Programme (UNDP) Sudan.

Education

- Education in the Sudan is facing a number of challenges that may hold back the realization of the ambitious objectives of the sector. These challenges include: Spread of poverty and illiteracy, among the major reasons that children from poor families are unable to attend school up to the end of the education cycle. The pressing need for children to contribute to household income, particularly in rural areas, negatively affects their education.
- The war, along with the devastation caused by HIV/AIDS, has left many children as orphans and heads of household. These children are less likely to attend school and more likely to drop out if already enrolled.
- The large-scale rehabilitation and reconstruction needs in regard to school facilities, accompanied by a shortage and inadequacy of the amount of funding available for education from various sources.
- The policy of decentralization of administration and management of basic education as the responsibility of local councils has to a great extent contributed to the very low level of education funding.

Health

32. Health in the Sudan is facing huge challenges in relation to the different levels of care and at the policy and community levels. These challenges are reflected in shortfalls in the availability of, accessibility to and quality aspects of health services, for example:

- Working in a large country with a population that is both thinly spread and highly mobile (e.g., refugees, displaced persons, nomads and massive rural-to-urban migration) adds another dimension to the challenges.
- Challenges emerged from decentralization where responsibility for the provision of basic health services was allocated to the state and local levels while the necessary funding transfers from the central government remained insufficient.
- Commitment of the necessary financial and human resources to implement the current strategies and policies effectively and efficiently.
- Inadequate national human resource management, worsened by a continuing brain drain of skilled personnel.
- Recurrence of natural and man-made disasters.

III. Challenges in meeting the Millennium Development Goals in 2015

Millennium Development Goals in the Sudan: progress and causes of shortfall

33. Putting into consideration the numerous internal and external challenges and complexities surrounding the adoption of the Millennium Development Goal planning framework in the Sudan, the following conclusions can be drawn in regard to achievements and failures:

Nature and characteristics of achievements	*Reasons for poor performance in regard to indicators*
Reasonable progress has been made towards several of the Goals, especially those concerning education, infant and child mortality, access to water and sanitation	Poor statistics and inadequate baseline data, especially in the states
The current Goal indicators reveal remarkable inequalities with respect to gender, rural and urban areas, and among and within states	Lack of financial resources needed for achievement of the Goals
As expected, the worst performance indicators were recorded in the conflict-affected areas	Poor capacities in the states for implementation or monitoring (technical and financial)
The greatest progress realized was in regard to education and the least was in respect of Goals 7 (environmental sustainability) and 8 (global partnership)	Wars and conflicts
Progress in education was mainly quantitative in nature and therefore more effort is needed to cater for qualitative aspects	Highly centralized planning, quick changes and limited follow-up to plans and failure to integrate into them the Millennium Development Goals
Progress in health was very much concentrated in towns and especially in Khartoum state owing to the inherited unbalanced distribution of facilities and personnel	Economic sanctions, poor foreign relations and failure to make use of Goal 8
	Strong central monopoly of financial decisions within the adopted federal system
	Global food and energy
	The 9/11 incident and the war on terror which changed the world's priorities
	Instability in the region: conflicts and wars in the Arab region (resources) and neighbouring African countries (refugees, instability)
	Global financial and economic crisis

Challenges in meeting the Millennium Development Goals and the realization of human development

Spread of conflict

34. Following the secession of South Sudan, disputes over the Abyei area continue and no agreement on border demarcation (which may lead to more armed clashes along the border) has yet been reached. In June 2011, the South Kordofan conflict erupted between the army of the Sudan and the northern groups of the Sudan People's Liberation Army over the Nuba Mountains and Blue Nile areas. More than 366,000 people remain either internally displaced or severely affected by the conflicts in South Kordofan and Blue Nile, and some 109,000 others have fled to South Sudan and Ethiopia.[15]

35. As discussed above, conflict destroys accumulated physical and human capital, forces the replacement of labour and results in a deteriorating institutional capacity. A country experiencing conflict cannot secure long-term returns for investments in

[15] Office for the Coordination of Humanitarian Affairs, "Sudan Humanitarian update, fourth quarter 2011".

both its physical and human capital, which may result in low investment in health and education. All of these factors eventually lead to low levels of human development. A country with low levels of human development has more difficulty in improving institutions and increasing productivity and potential growth. In turn, lower unequally distributed growth heightens the risk of conflict, potentially trapping a country in a loop.

Economic crisis

36. The consequences of the current economic difficulties facing the Sudan in regard to the living conditions of the population are quite serious. Real per capita income of the majority of the population is likely to be affected by inflation and negative growth rates of GDP. Unemployment rates, which are already high, are expected to increase further owing to the contraction in national income and the discouragement of investment decisions. Serious cuts in government spending, which were adopted by fiscal authorities to control budgetary deficits, will affect pro-poor spending, particularly allocations to basic social services and subsidized goods. Hence, government ability to render adequate and accessible social services will be affected owing to lack of adequate resources on the one hand and the steady increase in military spending, further induced by the spread of conflict to new areas, on the other. In the presence of high inflationary pressures and persistent inequalities, access to basic social services will be limited, leading to low human development achievements. Moreover, low access to social services affects productivity and human and institutional capacities. Ultimately, lack of and limited access to social services will lead to socioeconomic instability, which in turn contributes to continuation of the conflict and low human development trap.

Wide disparities in development

37. There are disparities among the Sudanese, by gender and by region. Historically, the country's growth process has been unbalanced: the majority of its manufacturing firms and irrigated land is concentrated in the centre, with a huge disparity in development indicators between the best and worst performing regions. Outcomes from the national baseline household survey (2009) for a number of the Millennium Development Goal-related indicators confirm that the major challenge facing progress by the Sudan towards achievement of the Goals is the massive inequality in outcomes and access to services. The significant development disparities between urban and rural areas and among regions contributed to growing inequalities and an increasing urban informal economy. This state of affairs has aggravated migration from rural to urban centres, which is believed to have weakened agricultural productivity.

External debt

38. The Sudan has been increasingly crippled by an accumulated large, unresolved external debt, which will directly impact upon the nation's development. Current external debt reached $43.2 billion in 2012, representing about 71.4 per cent of GDP. The bulk of the debt (69 per cent) is from bilateral creditors (Paris and non-Paris Club), while multilateral debt represents only 13 per cent. Commercial bank debt and supplier credit represent 13 per cent and 5 per cent of total debt, respectively.

39. Meeting current debt service commitments has meant the diversion of considerable national revenue resources that could alternatively be directed towards development and social needs and, hence, poverty reduction. The burden of debt and the inability of the Sudan to achieve direct access to concessional financing undermine its prospects in regard to economic feasibility in the short, medium and long term. Similarly, its ability to attract foreign direct investment is constrained.

40. According to an analysis conducted by World Bank, IMF and the Central Bank of Sudan, the nation's debt is unsustainable. This means that the Sudan cannot service the debt and make advances in reducing poverty and achieving the Millennium Development Goals. The Sudan has been making payments in excess of obligations falling due to IMF and small token payments to the World Bank and the African Development Bank. With the independence of South Sudan, the Government of the Sudan has entered into negotiations with the Government of South Sudan over apportionment of the stock of external debt. However, the burden of debt remains heavy, and is likely to be heavier on a per capita basis and, with much lower export receipts, the debt distress of the Sudan will become more severe. Pending the provision of debt relief from creditors, the Government of the Sudan will maintain a prudent borrowing policy, with reliance on concessional borrowing. The Government will also continue to monitor its external debt and publish the results.[16]

Economic sanctions

41. The long-standing unilateral economic sanctions have caused serious damage to the economy and people of the Sudan as they have hindered, among other things, access to such international debt relief initiatives as the Heavily Indebted Poor Country Initiative and other potential sources of financial assistance. Sanctions have hit the population hard and have affected agriculture as the United States ban prevented access by the Sudan to improved seeds and modern agricultural equipment. Moreover, gum Arabic, the fourth largest of Sudan's agricultural exports, has been affected, despite exemptions, owing to other related sanctions (banking, insurance etc.).

42. The comprehensive trade and economic embargoes considerably impede trade and the development of the Sudanese economy. According to a United Nations report, the economic sanctions imposed on the Sudan have harmed the country's economy, as well as its infrastructure, both of which have been badly affected. Furthermore, restrictions on access to the United States market have hampered exports, decreased potential income and had a negative impact on the economic development of the Sudan. These factors have all contributed to delaying the achievement of the 2015 Millennium Development Goals.[17]

[16] "Sudan: interim poverty reduction strategy paper", IMF Country Report No. 13/318 (Washington, D.C., October 2013).

[17] Report of the Secretary-General on unilateral economic measures as a means of political and economic coercion against developing countries (A/66/138).

Impact of economic sanctions on health

The major impacts of sanctions on health occur through their effect on the importation, production and distribution of vital goods. The limitations caused by sanctions on the importation of medicines and other survival-related materials due to disruption of commercial arrangements, complications in transportation and lack of capital have directly contributed to weakening the Sudanese health services system. The functional capacity of the health-care system has also deteriorated.

Economic sanctions on the Sudan have limited the access to clinical health services. They have also resulted in shortages of medications. Furthermore, the lack of minimal life-saving facilities at the first referral level, such as equipment, personnel and know-how, even in referral hospitals, and the lack of access to spare parts and international professional training have led to the loss of essential medical assistance and faulty patient management.

The limited ability to import vital goods accompanied by the reduction in the states' funds has contributed directly to weakening the health infrastructure. Thus, the ability to correctly diagnose or treat common diseases has been crippled. An inadequate health-care system with misplaced priorities contributes to high morbidity and mortality rates. The degree of major infectious diseases is very high, leading to an overall increase in morbidity and mortality rates that has become part of the endemic pattern of the precarious health situation. (Susan Hamid, "The ramification of economic sanctions on the health service system: a comparative study of the Sudanese health service system before and after economic sanctions", unpublished Master's thesis, Oslo and Akershus University College of Applied Sciences, Faculty of Social Sciences, 2013.)

Unemployment

43. Poverty is widespread and, according to moderate estimates, approximately 46 per cent of the population is poor. These facts, when added to the fact that the population is predominantly young, put the issue of unemployment/employment among the top development challenges.

44. There is a structural workforce problem, as the rate of increase of the workforce (2.3 per cent) was close to population growth (2.6 per cent) during the period 1993-2011. The expansion of the absorptive capacity of the economy was too limited to accommodate the increasing numbers of job seekers, resulting in an annual growth rate of unemployment of 6.5 per cent during the same period. In 2011, the total unemployment rate was estimated at 18.5 per cent: 13.3 per cent for males and 32.1 per cent for females. Disparities also appear between rural and urban areas, with unemployment ratios of 16.0 per cent and 22.9 per cent, respectively. The high rate of growth in unemployment (6.5 per cent), resulting from the high rates of growth of the population and workforce on the one hand and the low rate of

employment on the other, clearly demonstrates the inability of the economy to create job opportunities to match the growth in workforce.[18]

Environmental degradation

45. The Sudan is a very rich country in terms of natural resources, endowed with a huge and diversified number: fertile land, natural forests, fresh water, biodiversity, wild and domestic animal stock, marine ecosystems, and mineral and soil resources. The country has been faced with various environmental problems, including desertification and land degradation, water pollution, deforestation, soil erosion and deterioration in biodiversity.

46. The environmental situation in the Sudan is suffering from a serious process of degradation, which could be irreversible. Most of the once-abundant and varied wildlife has disappeared, and agropastoral development is constrained by increasing desertification, erratic seasonal rainfall and successive dry spells. Deterioration in biodiversity and pressures on habitats are growing as more areas are opened to development and investors. The impact of petroleum prospecting, drilling and transport on habitats, and especially that of produced water on migratory birds, is very disturbing. More than one half of the country is affected by desertification as a result of inappropriate land-use methods, overgrazing and deforestation. Soil erosion is a major problem resulting from the repeated use of fire deforestation and drought.[19]

Migration

47. Massive population movement represents one of the serious challenges facing the Sudan. A post-South Sudan separation migration country profile of the Sudan highlighted that 6.9 million people are affected by migration and displacement to, from and within the Sudan. With 4.9 million internally displaced people, 750,000 foreign migrants and refugees living in the Sudan and at least 1.2 million Sudanese living abroad, compared with a total population of 39.2 million, the country faces enormous challenges in effectively managing migration.[20]

Weak human and institutional capacities

48. Development of the workforce in the Sudan is characterized by low educational attainment as well as stagnant capacity and limited standards of technical education and vocational training. At higher education levels, the skills of the labour force are out of balance with market demands and affected by a significant brain drain to Middle Eastern countries. With regard to instructional capacities, the Joint Assessment Mission identified six broad areas for capacity-building reforms in the Sudan that would enhance the capacity of the State in regard to better management of the economy and service provision, the public service,

[18] Elnaeem Suliman, "Labour force in Sudan 2011", paper presented to a workshop on analysing the results of the Labour Force Survey 2011, held in Khartoum in December 2013.

[19] Ministry of Welfare and Social Security, Sudan National Population Council, "Sudan Millennium Development Goals progress report 2010" (Khartoum, 2010).

[20] International Organization for Migration, "Migration in Sudan: a country profile" (Khartoum, 2011).

local government and service delivery, the decentralization framework, public financial management, public procurement and corruption.[21]

Ineffective development partnerships

49. Development assistance to the Sudan has been limited, constituting less than 0.5 per cent of GDP and around 3 per cent of the budget. Besides, official development assistance (ODA) has been criticized as being built mostly on political and economic conditionality, overshadowed with mistrust and mostly directed to humanitarian assistance rather than development. Moreover, in a clear departure from the pillars of the Paris Declaration on Aid Effectiveness, a significant share of donor assistance to the Sudan (about 75 per cent) has been implemented through United Nations agencies, international non-governmental organizations and international private contractors. Pooled funding has been the dominant modality, the World Bank and the United Nations the largest implementing agencies, and the largest amount of support comes through the Multi-donor Trust Fund. A recent report from the Ministry of Finance reveals that most of the successful donor-supported projects were those under government execution.

50. Projects implemented through United Nations agencies and non-governmental organizations have been characterized by a number of shortcomings, including: late starting date and delays in project completion; late transfer of financial resources from headquarters; prolonged recruitment procedures; delays in the deployment of international staff; high rate of staff turnover; technical assistance not embedded within the beneficiary premises; high cost and share of technical assistance components; costly project management units and parallelism; risk of lack of ownership; minimum contribution to capacity-building; fewer results on the ground; and sustainability risk. On the other hand, government response to ODA facilitation seems to be slow, which has affected the performance of donor-supported development projects.[22]

IV. Critical role of development partners in addressing development challenges in the Sudan

51. Development partners can play a substantial role in addressing the various development challenges facing the Sudan through the provision of support in four areas described below.

Economic sanctions

52. It has been quite evident that economic sanctions have a deeply negative impact on the realization of development objectives. Therefore, the international community is urged to support the endeavours of the Sudan to eliminate and alleviate the unilateral economic sanctions.

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[21] UNDP, World Bank and Government of the Sudan Joint Assessment Mission, "Clusters report", vol. III (Khartoum, 2005).

[22] Sudan Ministry of Welfare and Social Security, National Population Council, "National consultation paper on the post-2015 development agenda" (Khartoum, 2013).

External debt

53. External debt will continue to limit the ability of the Sudan to benefit from ODA and other sources of funding needed for development projects. The Sudan is eligible for the Heavily Indebted Poor Countries Initiative and Multilateral Debt Relief Initiative sponsored by the Bretton Woods institutions but is unable to benefit from them.

Reintegration into the world economy

54. In order to be integrated into the world economy through effective trade relationships the Sudan is in need of support. This is one of the major areas in which the support of development partners is critically important. For instance, the Sudan is yet to join the World Trade Organization and has encountered political conditionality.

Support for reconstruction and peacemaking

55. The reconstruction of conflict-affected areas and peacemaking are issues of top priority for the Sudan. Development partners can play a crucial role in achieving sustainable peace by providing various types of development support.

V. Meeting the development needs of the Sudan: priority areas for immediate intervention

56. The following issues need to be addressed:

- High vulnerability of the economy to external shocks due to heavy dependence on oil and limited share of other productive sectors, namely agriculture and industry.
- Lack of inclusive and broad-based economic growth as a serious threat to economic growth and peace.
- The large and rapidly growing public sector can be an impediment to the development of a robust private sector that is already functioning under conditions of economic uncertainty and a climate non-conducive to investment.
- The high levels of unemployment associated with the limited absorptive capacity of the economy to accommodate the increasing numbers of job seekers remain a major threat to political stability and human security in the country.
- Widespread poverty associated with lack of inclusive growth and unequal income distribution.
- Concentration of poverty among rural households poses the challenge of enhancing investment in the traditional rural economy and investment in building the capabilities of rural communities.
- Regional inequalities constitute a big challenge to peace and stability and long-term development in the country.
- Challenges related to accessibility to basic social services due to the vastness of the country, shortage of facilities and personnel, inadequacy of infrastructure, maldistribution of the existing facilities and cadre, increasing

cost of services, widespread poverty, shortage of funds and prolonged conflict and violence.

- The challenges of extending the coverage of basic education, reducing inequities, building capacity and developing institutions.
- In health, the important and pressing challenge is to expand service coverage to the majority of the population, particularly in the disadvantaged rural areas.
- The development agenda for the infrastructure sector consists mainly of maintenance of infrastructure, development of capacity and systems, and reform in order to improve safety, security and performance.
- Social protection and safety nets are challenged by the inability to cope with the growing number of needy people and vulnerable groups. Finance and management issues are among the main concerns.
- Addressing the complicated issue of internally displaced persons and returnees constitutes a real challenge.
- Accelerated rural-to-urban migration, which has negative impacts on both sending and receiving areas, constitutes a major challenge.
- Support of capacity development for the effective implementation of the country's population strategy and policies is very much needed.
- Gender-based violence and gender-based inequalities in employment and decision-making need more consideration.
- Members of the population with special needs, especially the disabled, the homeless and street children, require special attention.
- Brain drain, especially of professionals and skilled labour, is an acute problem inflicting present-day Sudan and requires paramount attention.
- Institutional and human capacity development in planning, policy formulation, implementation and monitoring is an essential development challenge.
- Several challenges need to be met in order to fill data gaps and deficiencies in national information. Considerable resources are required in order to generate improved statistics, logistical fieldwork support and data processing.

VI. Recommendations for the post-2015 development agenda

57. Recommendations for the post-2015 development agenda are as follows:

- There is a need for the production of a text reference for the new post-2015 development agenda, similar to the United Nations Millennium Declaration and to the detailed implementation framework of that Declaration, not only the discussion of quantitative goals and objectives.
- Emphasis should be placed on integrating the two dimensions of political/institutional and cultural development in the conceptual development framework and in any new development strategy.
- It is important to include specific goals relating to security, peace and governance in the new post-2015 goals.

- The global agenda should be integrated into national development plans after adapting the new set of goals in accordance with national requirements.
- There is a need to reform the international political and economic system to make it more equitable.
- International organizations should commit to dealing effectively with the new agenda as a coherent, integrated package, and avoid previous sectoral conduct.
- There is a need to review the directions of macroeconomic policies in the light of the newly designed Goal 8 on a global partnership, avoiding pressure on national policies that would increase social problems and a negatively impact development.

United Nations E/2014/59

Economic and Social Council

Distr.: General
12 May 2014

Original: English

2014 session
Item 5 (c) of the provisional agenda*
High-level segment: annual ministerial review

Letter dated 30 April 2014 from the Permanent Representative of Thailand to the United Nations addressed to the President of the Economic and Social Council

I have the honour to refer to note No. 56101/583 dated 1 August B.E. 2556 (2013) informing you of Thailand's readiness to participate in the national voluntary presentations during the annual ministerial review of the high-level segment of the 2014 substantive session of the Economic and Social Council, to be held at United Nations Headquarters in New York from 7 to 11 July 2014. I also have the honour to transmit herewith the national report of Thailand (see annex).

In this connection, I would be grateful if you could circulate the present letter and its annex as a document of the Economic and Social Council under agenda item 5 (c) of the provisional agenda of the 2014 substantive session.

(*Signed*) Norachit **Sinhaseni**
Ambassador
Permanent Representative

* E/2014/1/Rev.1, annex II.

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Annex to the letter dated 30 April 2014 from the Permanent Representative of Thailand to the United Nations addressed to the President of the Economic and Social Council

Report of Thailand

I. Introduction

1. The Millennium Development Goals are the targets set by the United Nations in 2000 to improve the quality of life of people by addressing hunger, poverty and inequality, illiteracy, sickness and environmental degradation through international cooperation. Thailand has achieved several important Millennium Development Goals targets prior to the 2015 time frame, including goals on the eradication of poverty and hunger, as well as those on education, gender equality and health. These early achievements have allowed Thailand to pursue the more ambitious and challenging Millennium Development Goals Plus, with prospects for achievement in several areas.

2. Thailand's approach to development and the Millennium Development Goals is strongly guided by the sufficiency economy philosophy, first introduced by His Majesty King Bhumibol Adulyadej in 1975, enabling Thais to rely on themselves and conduct their lives and pursue their destiny with dignity. The philosophy relies on wisdom and integrity, which embraces the principles of moderation, reasonableness and resilience as a guide for Thailand's people-centred development.

3. Placing people at the heart of development, Thailand has significantly invested in her people through human capital development initiatives, such as the Life Cycle Development Strategy, and health-care initiatives, such as the Universal Health Care Scheme. Universal health coverage, which Thailand achieved as early as 2002, ensures equitable entitlement to health care for all Thais and has been integral to Thailand's advances in attaining the Millennium Development Goals on health.

4. As a development partner, Thailand recognizes the importance of fostering partnerships for development and has been an active regional player in assisting other countries to attain their Millennium Development Goals. Today, Thailand's development cooperation has extended beyond its neighbours (Cambodia, Myanmar, Laos and Viet Nam) to other countries in other regions, such as Africa, Latin America, the Middle East and Central Asia.

5. To officially report its progress on the Millennium Development Goals, Thailand published two national reports on the matter, in 2004 and 2009. It is currently in the process of publishing the final report for 2015. The two previous reports, which assessed Thailand's progress in achieving the goals, identified obstacles to reaching the targets and defined the challenges thereafter, not only are beneficial to the country's own future development plans but may also provide lessons learned for countries seeking to fulfil their Millennium Development Goals.

6. The present national voluntary presentation report of Thailand is an extract of the most recent report of Thailand on the Millennium Development Goals and contains five main parts: (a) progress in achieving the Millennium Development Goals; (b) challenges to achieving the Millennium Development Goals; (c) keys to

success; (d) development gaps; and (e) focus areas of the post-2015 development agenda.

II. Progress in achieving the Millennium Development Goals

Goal 1.A: Eradicate poverty and hunger

7. Thailand successfully achieved the Millennium Development Goals target to halve the poverty rate. It is presently committed to achieving the more ambitious MDGs Plus target to reduce the country's overall poverty rate below 4 per cent. Poverty reduction in Thailand has been continuously improving. In 2009 there were 12.3 million persons, or 17.9 per cent of the total population, living in poverty, as measured by the national poverty line. In 2012 the number was reduced to 8.4 million, or 12.6 per cent of the total population. Country demographics reveal that the working-age population (15 to 59 years of age) accounted for the largest share, with 4.6 million persons in poverty. Children (0 to 14 years of age) and elderly persons (60 years of age and above) accounted for 2.1 million and 1.7 million, respectively. A breakdown of data on economic activities in 2012 shows that as many as 2.3 million of the 4.6 million persons living in poverty worked in the agricultural sector, or 69.6 per cent. This figure is consistent with the fact that two thirds of the poor live in rural areas and are concentrated in the north and north-east regions. The north-east region alone is home to 3.7 million poor persons, accounting for 19.8 per cent of its population and 44.5 per cent of the poor in the country.

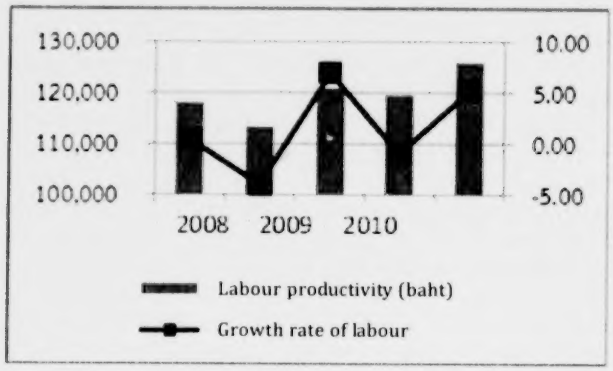
8. In order to ensure that no one is left behind in the campaign against poverty, the Thai Government has put in place poverty-reduction programmes to address the issue, which can be classified in the following categories: (a) programmes to support the cost of living, such as the Blue Flag Programme (Thong Fah),[1] the programme to support compulsory education and the Energy Credit Card; (b) programmes to promote employment, raise income and create income stability through the B300 minimum wage policy, the B15,000 salary for holders of the bachelor's degree, price raises for agricultural produce and community vocational-training centres; (c) programmes to promote funding accessibility in order to create jobs through the Village/Urban Community Funds, Thai Women Empowerment Funds and the Business Fund; and (d) programmes to improve welfare through increases in allowances for the elderly and persons with disabilities, and expansion of social security coverage to include the informal sector.

9. Challenges to poverty reduction involve predominantly structural issues, including the vulnerable group of 7.2 million near-poor persons, and access to education. There is also a challenge in improving access to vocational training by unskilled labourers. This group alone accounts for 7.6 million persons, or 90.5 per cent of the poor, half of which are older than 40 years of age and in need of skill improvement.

[1] This programme is an initiative by the Thai Government to help lower the cost of living of Thai people countrywide by endorsing participating outlets that sell consumer goods, including ready-to-eat food, at low and fair prices.

Goal 1.B: Full and productive employment and decent work for all

10. This target is potentially achievable, as the unemployment rate in Thailand stood at a low 0.66 per cent in 2012. Labour productivity has also improved to B125,784 per person, or a 5.2 per cent increase from 2011. Further efforts are, however, necessary to ensure that 24.8 million persons, or 62.7 per cent of the labour force in the informal sector, receive protection through social security coverage, hence reaching the Millennium Development Goals target.



11. Programmes employed to achieve the target include the B1 million increase to each of the Village/Urban Community Funds, establishment of the Thai Women Empowerment Funds, with a B100 million budget for each province, the Business Fund Programme, Small-, Medium- and Large-Business Funds, the expansion of social security coverage to include the informal sector, the B300 minimum wage and the B15,000 salary for holders of the bachelor's degree.

Goal 1.C: Halve the proportion of people who suffer from hunger

12. Thailand achieved this target but has to further address nutritional concerns. For example, the proportion of underweight children from zero to 72 months of age increased from 3.5 per cent in 2009 to 10.42 per cent in 2011. The north-east was the region with the highest proportion of underweight children (11.76 per cent). Meanwhile, the proportion of overweight children from zero to 72 months of age also rose from 2.9 per cent in 2009 to 9.7 per cent in 2011. A similar trend was found in the proportion of overweight children from 6 to 18 years of age (from 6.93 per cent in 2010 to 9.03 per cent in 2011).

Goal 2: Universal primary education

13. Thailand has yet to achieve universal primary education, although the country's gross enrolment rate has exceeded 100 per cent since 2009. The net enrolment rate, however, continued to be lower than the targeted 100 per cent. In 2012 the net enrolment rate was 87.64 per cent. The combination of over-100 per cent gross enrolment rate with the lower-than-100 per cent net enrolment rate indicates that some students started school late. The report of the United Nations Children's Fund entitled *All Children in School by 2015: Global Initiative on Out-of-School Children* suggests that these overaged students usually come from families with uneducated parents who live in remote areas and have low incomes. The report also indicates

that the overaged students are also more likely to leave school. Accordingly, Thailand has been continuously improving the quality and standards of primary education in terms of teachers, curriculum and materials. There are also programmes to reduce educational inequality as well as to promote students' ethics and morality. However, the programmes to reduce overaged students and to retain them should be immediately and continuously implemented such that the universal primary education target is reached by 2015.

Goal 3: Promote gender equality and empower women

14. Thailand already achieved the target of eliminating gender disparities in primary and secondary education by 2005 and in all levels of education by 2015. Across the country, Thai girls and boys are given equal access to education. In terms of empowering women, in 2011 Thailand had its first female Prime Minister who, in 2013, also became the first female Minister of Defence, signifying a remarkable step forward in Thailand's political landscape. Building on such milestones, Thailand continues to strive towards increasing the overall opportunities for women to reach executive or decision-making levels and reaching the target to double the proportion of women in Parliament, subdistrict administrative organizations and executive positions in the civil service. Enhancing women's role is also targeted at the central Government and the provincial government levels, and in the private sector. In 2012 women accounted for 6.43 per cent of all decision-making positions in local administration. The rate was 39 per cent in the private sector and although that figure represents a decrease from 2011, Thailand continued to rank third of 34 countries surveyed by the Grant Thornton organization. Thailand has also seen an increased share of women entering the labour force (52.14 per cent in 2012). This was a result of both successful interventions by women-empowerment organizations and mechanisms at all levels, including Government programmes in support of the elderly and women. The Thai Women Empowerment Fund allocates B7,700 million, or an average of B100 million per province. The programme is very beneficial for improving the economic conditions of women and could achieve greater results with further improvement in its management and accessibility by all women.

Goal 4: Reduce the under-five mortality rate

15. The reduction of the under-five mortality rate has been achieved and there is continuous progression in the reduction rate owing to larger coverage of health services. This achievement is largely attributed to Thailand's successful Universal Health Care Scheme, which has raised child vaccination coverage to 99 per cent. Also, the Sai Yai Rak Project, which promotes quality antenatal, delivery room and post-delivery care and skills training for care personnel, and enables mothers and children to have wide access to both health-care and vaccination services. The infant mortality rate also decreased in line with wider health-care coverage starting with the family planning process. This helps reduce genetic diseases and improve children's health and live births. In Mae Hong Son, where 80 per cent of the population are tribal people from the highlands, the under-five mortality rate fell from 13.4 per cent in 2008 to 12.2 per cent in 2012, while the infant mortality rate rose from 9.5 per cent to 10.4 per cent. The two mortality rates remained high and did not significantly change in the three southernmost provinces, as accessibility to health services remains a challenge in that area. In 2012 the under-five mortality rate and the infant mortality rate were highest in Narathiwat, with rates of 16.8 per

thousand live births and 14.0 per thousand live births, respectively. In the southern provinces, when at-home delivery was practiced, the ratios were among the highest. Infants that did not survive when born at home were not recorded in the registration system. Half of the deaths involved infants of less than seven days of age.

Goal 5: Improve maternal health

16. The maternal mortality rate declined from 38.5 per thousand live births in 2008 to 31.8 per thousand live births in 2010, reflecting medical progress and accessibility by mothers to health services. This was mainly a result of the expansion of coverage in the Universal Health Care Scheme, which now includes outpatient, inpatient, emergency, dental, kidney replacement, HIV medicines and chronic disease treatment services. However, high maternal mortality rates in the highlands require policy attention, particularly the issues of pregnancy in women below 20 years of age and post-delivery bleeding. While the mountainous geography has already limited the access to health-care services, the traditional beliefs and cultures in the area further impede measures to reduce the maternal mortality rate. As to birth control, Thailand has a contraceptive usage rate of 80 per cent, which is equivalent to that in developed countries. Despite this fact, underage pregnancy has been increasing. Teenage pregnancy has increased from 31 per thousand women from 15 to 19 years of age in 2000 to 53 per thousand in 2012. In addition, the rate of marriage before the age of 18 rose from 19.7 per cent in 2005 to 22.1 per cent in 2012, owing mainly to underage pregnancy. Moreover, pregnancy at premature ages can cause unsuccessful births or disabilities. Programmes to reduce underage pregnancy include the One Stop Crisis Centre, providing consulting services to underage pregnant women, and the establishment of teenage clinics throughout the country by the Ministry of Public Health to promote sex education, general health care and birth control.

Goal 6: Combat HIV/AIDS, malaria and other diseases

17. Thailand is likely to achieve this target. The spread of HIV/AIDS has decreased from the rates of 0.50 per cent and 0.58 per cent in male and female youth, respectively, in 2008 to 0.4 per cent in 2012. The rate among pregnant women also fell from 0.72 per cent in 2008 to 0.51 per cent in 2012. With HIV/AIDS treatment covered by the Universal Health Care Scheme since 2005, the number of HIV-infected persons receiving antiretroviral drugs has doubled from 100,000 prior to 2005 to 200,000 currently. For malaria, the incidence rate stood at 0.17 per thousand individuals in 2012. However, the rate is increasing in the rubber plantation areas. Similarly, tuberculosis infection has increased rapidly since 2000. The incidence of tuberculosis was 46.9 per 100,000 individuals in 2012, with a treatment success rate of 85.22 per cent in 2011. For coronary artery disease, the incidence rate rose from 140.9 to 334.8 per 100,000 individuals from 2002 to 2011, more than doubling in 10 years. Despite better accessibility to services, the death rate also rose from 14.4 to 22.5 per 100,000 individuals, a 15.6 per cent increase.

Goal 7: Environmental sustainability

18. Thailand has not yet achieved the Millennium Development Goal involving environmental sustainability. Among Thailand's national environmental priorities is addressing water resource challenges such as water shortages, water quality and floods. The Population and Housing Census 2000, conducted by the National

Statistical Office, showed that 98.2 per cent of urban households and 99.0 per cent of rural households had access to improved water sources. This means that there is still a certain group within the population that lacks improved water sources. The problem is more prominent in rural areas. In addition, the quality of improved water sources was found to be below standard.

19. In order to address these issues, related agencies have introduced measures, including the drinking pipe water project, the public sanitation improvement project, the groundwater improvement project, the forest and wildlife conservation project, the coastal resources rehabilitation project, the agroforestry project and the *ban munkong* project by the Community Organizations Development Institute, which helps improve living conditions in slums.

20. In terms of conserving the country's rich biodiversity, Thailand has formulated National Biodiversity Strategies and Action Plans, in accordance with obligations under the Convention on Biological Diversity, since 1994. There were three consecutive strategies and action plans (1998-2002; 2003-2007; 2008-2012), which were entitled "National policies, measures and plans on the conservation and sustainable utilization of biodiversity". The third was formulated on the basis of the 2010 biodiversity target adopted at the World Summit on Sustainable Development in 2002.

21. Moreover, by 2015, countries in the greater Mekong subregion will have established priority biodiversity conservation landscapes and corridors for maintaining the quality of ecosystems, ensuring sustainable use of shared natural resources and improving the livelihoods of people in the region. The Biodiversity Conservation Corridor Initiative will be achieved over 10 years, from 2005 to 2015.

Millennium Development Goals indicators	*2005*	*2008*	*2013*	*Millennium Development Goals target*	*Millennium Development Goals Plus target*
	(percentage)				
Proportion of urban households with sustainable access to improved water source	96.3	–	98.2	98.2	–
Proportion of rural households with sustainable access to improved water source	87.0	–	99	88.2	–
Proportion of urban households with access to improved sanitation	99.6	–	99.8	99.5	–
Proportion of rural households with access to improved sanitation	98.6	–	99.6	91.5	–

Source: National Statistical Office, Population and Housing Census, 2000 and 2010; population surveys.

Goal 8: Develop a global partnership for development

22. Development cooperation has been an integral part of Thailand's foreign policy. As a development partner and a former recipient country, Thailand has the advantage of understanding the challenges of development and the unique needs of developing countries. Thailand has therefore emphasized that its cooperation for development through bilateral cooperation and partnership/triangular cooperation should meet the development needs (e.g., agriculture, education and health) of recipient countries. Bilateral cooperation has been carried out in the form of

scholarships, training and development projects. In 2013 the Thailand International Development Cooperation Agency increased the number of scholarships from the previous year to more than 2,000 scholarships — annual as well as specific-areas scholarships — valued at approximately B360 million. The Lao People's Democratic Republic, Cambodia, Myanmar and Viet Nam continued to be the major receiving countries. Thailand is now expanding its cooperation to other regions, including Africa and Latin America. As to partnership/triangular cooperation, Thailand has developed partnerships with many developed countries (e.g., France, Germany, the United States of America, New Zealand and Japan) as well as international organizations, such as the United Nations Population Fund (UNFPA) and the United Nations Development Programme (UNDP), to provide assistance to other developing countries. The major achievements in 2013 were triangular Thai-French cooperation in the treatment and prevention of shrimp "ich" infection in Mozambique, Thai-German cooperation in Nam Xong Subriver Basin Management in the Lao People's Democratic Republic, Thai-United States cooperation in Malaria Prevention and Control in Myanmar-Thailand Border Areas, Thai-UNFPA cooperation in population and reproductive health development in Bhutan and Thai-UNDP cooperation in developing the Universal Health Coverage Schemes for neighbouring and other developing countries.

III. Challenges to achieving the Millennium Development Goals

Providing proper nutrition to Thai children and addressing obesity

23. Thai children have improved in physical growth, with higher average heights and lower ratios of underweight and stunted growth children. However, the number of obese and overweight children has increased considerably. Meanwhile, malnutrition is an ongoing problem, particularly among poor children. The most common deficiencies in Thailand involve iodine and iron, both of which are crucial for brain development. The Child Nutrition and Health Survey of the Association of Southeast Asian Nations showed that 20 per cent of Thai children from 6 months to 12 years of age were overweight, while 60 to 70 per cent did not receive sufficient nutrition and were deficient in iron, calcium and vitamins A, C and D. The results were consistent with the data compiled by the Department of Health, Ministry of Public Health, which showed that in 2012 12.5 per cent of students from 6 to 12 years of age were obese, 17.1 per cent were shorter than standard and 6.6 per cent were underweight. The latter two conditions could have an effect on brain development, causing slow learning and low immunity, while obesity increases risks for chronic diseases. Estimates suggest that by 2015, 1 of 10 obese children risks developing diabetes, high blood pressure and cardiovascular disease.

Raising labour productivity as a major factor to sustainably upgrading the living standards of workers

24. Although labour productivity improved by 5.2 per cent in 2012, the average increase over the 2008-2012 period was only 1.5 per cent, which reflects the persisting limitations to fully raising labour productivity. One such limitation is the significant number of unskilled Thai labourers, with 50 per cent of the labour force having only primary education or lower. In addition, a sizeable number of Thai labour continues to lack income security and social security coverage. Although Government policies to raise income, such as the B300 minimum wage — applied to

employees in the private sector — and the B15,000 salary for graduates with a bachelor's degree — applied to those in the civil service — provide a certain degree of income assurance to specific groups, these policies have yet to fully cover the entire labour force. In 2012 the social security scheme began to allow labour in the informal sector to join the scheme on a voluntary basis, but only 1.3 million workers, or 6.3 per cent of all labour in the informal sector, have entered the scheme so far. It is therefore another challenging issue to make coverage universal in the future.

Raising the quality of Thai education

25. Education is a sector in which Thailand has invested heavily — as much as 20 per cent of its Government budget (Comptroller General's Department, 2013) — and raising the quality of Thai education has been a priority of successive Administrations. Challenges for educational reform include improving student achievements, developing life skills, promoting the ability to apply theories into practice and to acquire new knowledge, improving the quality of teachers and teaching methods, and the expansion of the curriculum to cover ethics, human rights, religion and morality. During 2006-2011, the average Ordinary National Educational Test scores for sixth graders were lower than half of the total scores. Although most Thai children receive primary education, their achievements are still below standard. The dropout rate has continuously declined over the past five years — attributed to the provision of universal compulsory education. Nonetheless, the dropout rate at higher levels of education and the ratio of compulsory education graduates who do not continue in school have increased. Moreover, disparities between large and small schools and across geographical areas are also prominent, both in terms of teacher quality and educational resources.

Net school enrolment rates

(Percentage)

Educational level	*2007*	*2008*	*2009*	*2010*	*2011*
Lower secondary	67.92	67.93	68.62	69.88	69.61
Upper secondary (including vocational)	56.51	55.38	57.49	57.58	55.96
Bachelor's degree (including higher vocational)	22.73	23.94	23.95	23.14	21.94

Source: Socioeconomic surveys by the National Statistical Office.

Average scores

(Percentage)

Education level/subject	*2008*	*2009*	*2010*	*2011*
Grade 6	43.81	36.22	32.16	45.41
Thai	42.02	38.58	31.22	50.04
English	37.77	31.75	20.99	38.37
Mathematics	43.76	35.88	34.85	52.40
Science	51.68	38.67	41.56	40.82

Source: National Institute of Educational Testing Service.

Promoting a positive attitude towards gender equality

26. In Thailand, women's educational opportunities are already equal to those of men. Nonetheless, reservations remain about women's roles in political decision-making and management. This is due partly to women's burden in taking care of the family and male bias in both the public and private sectors. Accordingly, the attitude in favour of gender equality in the national development process should be enhanced. Moreover, education in human rights and youth-related laws should be promoted together with the end of abuse of children, women, the elderly and persons with disabilities. This effort is expected to ultimately reduce abuses in the family, community and society altogether.

Decreasing mortality rates in specific regions

27. Both the infant mortality rate and the under-five mortality rate have continuously been declining. However, the mortality rates remained high in the northern highlands and the three southernmost provinces. This was due mainly to difficulties encountered by the service providers to reach these areas.

Decreasing underage pregnancy

28. The birth control rate in Thailand has been high, resulting in a low birth rate. However, the ratio of underage pregnancy has rapidly increased. The Ministry of Public Health records show that there were 53.8 births per thousand women from 15 to 19 years of age in 2012. This ratio is almost double the rate of 31.1 births recorded in 2000, with repeat pregnancies in 15,440 cases, or 11.9 per cent of total underage pregnancy. This figure is higher than in high-income countries in Asia such as Japan, the Republic of Korea and Singapore.

Lowering HIV prevalence among populations having a high risk for HIV

29. The overall HIV/AIDS prevalence rate in Thailand is declining. However, HIV prevalence among the population at high risk for HIV infection, such as sex workers, men who have sex with men and drug users who inject drugs, has remained high. Proactive services to diagnose HIV infection and treat it as early as possible in these vulnerable groups will be another effective way to reduce the spread of HIV disease.

Ensuring access to quality water and addressing environmental sustainability

30. The safe drinking water in Thailand provided by the Metropolitan Waterworks Authority in Bangkok and the Provincial Waterworks Authorities in other cities undergoes quality control that complies with high standards and meets the national water quality standards. However, there remain challenges regarding the quality of the drinking water sources and the quality of water pipelines. These challenges need to be resolved if Thailand is to provide safe drinking water to 80 per cent of the people living in urban areas and 50 per cent of the people living in rural areas by 2015 — a target Thailand aims to achieve, which establishes the bar higher than the targets on water set by the Millennium Development Goals. Other challenging areas that need to be urgently addressed by all relevant sectors include improving air quality, reducing carbon dioxide emissions, ensuring food/energy security and implementing integrated environmental management.

Addressing the absorptive capacity of partner countries in development cooperation

31. The implementation of international development cooperation, in the overall picture, is as planned. Thailand can better respond to the needs of partner countries. Nevertheless, there are some external factors affecting successful cooperation, such as the absorptive capacity of partner countries in terms of readiness and capacity of personnel, policy, regulation and budget.

IV. Keys to success

32. Thailand's achievement or near achievement of the Millennium Development Goals was the result of commitments and cooperation from all involved parties — those that formulated the fundamental thinking and the policies as well as all the projects which improved people's quality of life. There are three crucial factors for the success of the Millennium Development Goals: (a) the sufficiency economy philosophy, which is a foundation of the National Plans; (b) the Life Cycle Development Strategy, which acts as a guideline for human resources development under the current structural population change; and (c) accessibility to health-care services, particularly by the low-income group, through the Universal Health Coverage Scheme.

33. The sufficiency economy philosophy is a concept of living introduced by His Majesty King Bhumibol Adulyadej in 1975. The philosophy places importance on human resources development and emphasizes a way of life based on self-reliance, subsistence, rationality, immunity to improvidence, awareness and morality, and recognizes diversities in the geo-ecological system, economy, culture and traditions, and participation. The National Economic and Social Development Plan of Thailand has placed the sufficiency economy philosophy at the heart of national development and management from the eighth plan onward. The plans have since aimed at improving the well-being of the Thai people, taking the middle path towards stability, quality and sustainability. They also incorporated a shift in the planning process from "by Government to the people" to "with people's participation" to formulate a development plan that is moderate, rational and immune to risks based on competency, cautiousness, perseverance and morality. To achieve such results, the people and community would have to understand and apply the philosophy to their way of life, learn to live moderately and actively participate in their community. Accordingly, the sufficiency economy philosophy has been incorporated into poverty eradication projects (e.g. land distribution to small farmers based on the new agricultural theory — dividing the piece of land into an area for living, subsistence farming and commercial farming), integrating the philosophy into the One Tambon One Product project by emphasizing local knowledge and the competency of each tambon or subdistrict. Support for the One Tambon One Product project by the Government came in the form of a budget and knowledge-sharing, particularly knowledge about developing product standards, management and marketing. At the same time, educational institutions also helped develop the product, such as the packaging design.

34. The Life Cycle Development Strategy aims to improve the lives of all Thais by emphasizing the development approaches that will be able to fill the policy gap. This gap can involve either development issues or target groups that are not covered by the current interventions. The Life Cycle Development Strategy is basically a

translation into action of the Population Plan during implementation of the eleventh National Economic and Social Development Plan (2012-2016). The development goals and approaches of each stage of life are as follows:

Newborn and early childhood (0-5 years of age)

35. The development goal is for all children to be born as quality individuals, raised with age-appropriate milestones in all aspects and ready for development to their full potential during adulthood. The major development approaches include offering a co-pay health insurance package to mother and child, providing a welfare coupon to poor pregnant women, supporting activities of local early childhood centres and expanding private sector participation in providing social welfare for preschool children in local communities and workplaces.

Students in compulsory education (6-14 years of age)

36. The development goal is for all children to be given adequate nutrition, taught life skills and to be immune to risk behaviours, instilled with culture and given quality education that emphasizes twenty-first-century skills. The major development approaches include encouraging community and local government participation in working with local educational institutions to help improve child learning and development of both intelligence quotient and emotional quotient, assisting children who migrate with their parents or drop out of school to return to school and develop their job skills, promoting good teachers and increasing their teaching effectiveness, upgrading the quality of basic education to include twenty-first-century skills, developing conditional social transfer in education for poor children, and providing houses for poor children who study and behave well (*ban nam jai*, or house of kindness).

Teenagers and students in high school, vocational school and tertiary education (15-21 years of age)

37. The development goal is for all students to receive standardized knowledge and professional skills. They would have morality and ethics, the ability to work with others of different ages and different cultures and the competencies that respond to the country's demand, and are able to generate their own income during the period of their studies. The major development approaches include devising a monitoring and prevention system for adolescent pregnancy together with improving the standard of living of pregnant adolescents, promoting working while studying, supporting the "sending good children back to society" project, developing knowledge and diverse skill sets that reflect twenty-first-century skills, and integrating STEM education (science, technology, engineering and mathematics) into the learning process to increase students' problem-solving skills and innovative creativity to be used in everyday life and work.

Working-age population (15-59 years of age)

38. The development goal is for workers to have sufficient knowledge, constantly improve their skills, have strong saving schemes and to be protected under occupational health, safety and labour legislation according to the principle of decent work. The major development approaches include encouraging the entire labour force to attain basic education, promoting those in the informal sector to join

social security and a saving scheme, encouraging all Thai enterprises to implement occupational health and safety standards, promoting the role of women in the economy according to their potential, and providing support to the industrial and service sectors to create integrated professional qualifications and occupational skill standards.

Elderly (60 years of age and above)

39. The development goal is for the elderly to be provided with skill improvement supports and protected by a standardized quality of health care, and to be able to live with dignity through support from their family and community. The major development approaches include establishing income security for older persons by encouraging retirement savings, expanding coverage of long-term care at the local level, raising awareness of the value of elderly persons, developing an information system for the elderly, encouraging employment of the elderly according to their experience and potential, conducting more research on long-term care insurance, encouraging eldercare at the family and community levels, and improving the efficiency of the referral system.

40. Accessibility to health-care services in Thailand has been critical to Thailand's Millennium Development Goals achievements. Thailand's national health security system, provided through three major programmes, covers services ranging from health promotion and disease prevention to rehabilitation according to the medical indication, with or without minimum charge. At present, 47.24 million of 64 million, or 75.29 per cent, of Thais are covered by the universal coverage scheme, 15.24 per cent are covered by social security and 7.89 per cent are covered by the civil service welfare system. Universal coverage is theoretically a fundamental right under the Thai Constitution, which aims to protect all Thai nationals who are not covered by social security and the civil service welfare system. Its services cover both inpatient and outpatient services, and the right to receive renal replacement therapy, antiretroviral drugs, and treatment for chronic diseases. Universal coverage has made it possible for the poor to have access to health-care services without charge, for children to remain eligible for vaccines, for mothers to have access to prenatal and postnatal care, and for HIV-infected patients to have access to treatment. Annually, the Government allocates a budget through the National Health Security Office of approximately B2,895.09 per person, or a total of B141,430.924 million for such health care. In addition, there are other budget appropriations for particular health-care services, including a service budget for HIV/AIDS infected patients of approximately B2,946.997 million, a service budget for chronic kidney disease patients of approximately B5,178.804 million, a service budget for diabetes and hypertension control and prevention of approximately B801.240 million, a budget for improvement of service to remote and risk areas of approximately B900 million, and a compensation budget of approximately B3,000 million.

Development gaps

41. Although Thailand's national development programmes and interventions in the past have led to the achievement and near achievement of the Millennium Development Goals, there are still development gaps which pose a challenge for the next development agenda. The gaps include (a) quality and inequality of public services; (b) disparities regarding and accessibility to poverty reduction

development; (c) changes in the health situation; (d) environmental quality and disasters; and (e) good governance.

Quality and inequality of public services

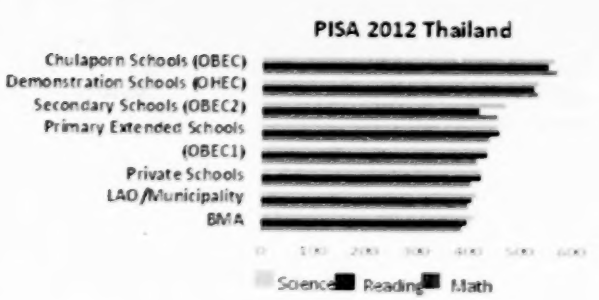
42. When considering the quality of schools, it is found that a number of them do not meet the criteria for quality education. In 2010 there were 11,780 schools, or 34.48 per cent of all schools at the primary education level, that failed to pass the assessment.

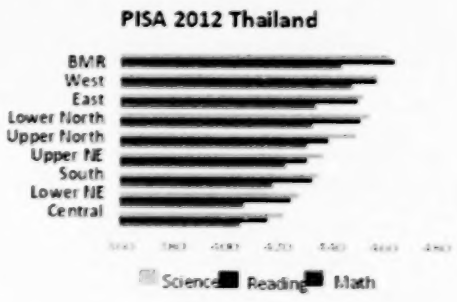
Number of schools under the Office of the Basic Education Commission that underwent the quality assessment in 2010

Region	*Pass*	*Fail*	*All*	*Proportion of failure (percentage)*
North	4 406	2 819	7 225	39.02
South	2 337	1 517	3 854	39.36
East	1 417	644	2 016	31.25
West	1 100	630	1 730	36.42
North-east	9 867	4 374	14 241	30.71
Central	3 254	1 796	5 050	35.56
Total	**22 381**	**11 780**	**34 161**	**34.48**

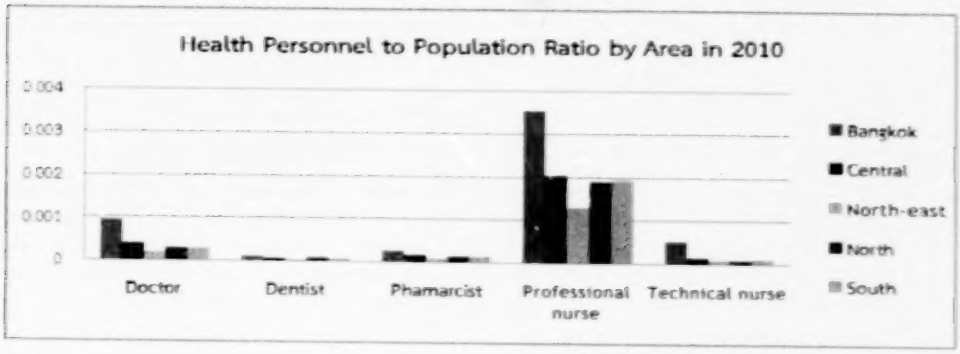
Source: Office of the Basic Education Commission (OBEC).

43. Moreover, schools under different departments/organizations are also of differing quality. Students in demonstration schools under the Office of the Higher Education Commission (OHEC) usually have higher test scores than those in schools which belong to other departments/organizations. In the meantime, although there is continuous improvement in the quality of education, particularly in the quality of students, international standards have not been met. According to the Programme for International Student Assessment (PISA) results of Thai students in 2012, reading and science test scores improved significantly while mathematics scores increased slightly. However, none of the scores have met the average scores of countries in the Organization for Economic Cooperation and Development.



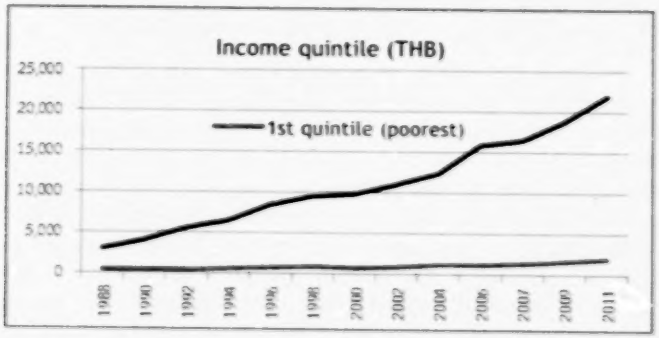


44. In terms of health-care services, the distribution of health-related resources is uneven among regions. A survey of health resources in 2010 found that the difference in the doctor to population ratio between Bangkok and the north-east region was as high as 4.7 times. While the ratio in Bangkok was around 1:1,052, the ratio in the north-east was 1:4,947. As for doctors, the density of other health-related professionals such as nurses, pharmacists and dentists, also differs from region to region. The inequality of distribution of health-related resources has led to the poor quality of health-care services in areas with insufficient resources.



Disparities and accessibility to poverty-reduction development

45. Inequality has been a chronic problem of Thai society and is becoming more severe. From 1988 to 2011, the income gap among groups increased continuously, reflecting a disparity in benefit distribution or a difference in economic value added. People who take most of the benefit are typically the rich and owners of capital, while the working and middle classes usually earn less than half of the national income. This inequality of income benefit distribution makes the poor remain poor while the rich get richer. Moreover, the income inequality has led to inequality in other areas including education, public services and social welfare.



46. Overall, there is full attendance in compulsory education. However, enrolment rates decline as the level of education gets higher. In 2012 net enrolment in primary education was 87.6 per cent, in the lower secondary level the rate was 67.6 per cent, in the upper secondary level the rate was 55.1 per cent and at the undergraduate level, the rate was merely 28.5 per cent. In addition, there is educational inequality among people with different standards of living and among people living in urban

and rural areas, especially at the upper secondary and higher levels. Certainly, those who have access to higher education will have better opportunities and choices of occupation to generate income for themselves and their family than those who do not have the opportunity to attain higher education.

47. Only 41.8 per cent of the poor (below the minimum standard of living or below the poverty line), could access higher education. However, around 58.23 per cent of those living above the poverty line and the rich could access higher education. Regarding education at the undergraduate level (high vocational certificate included), only 5.33 per cent of the poor living below the poverty line can attain this level of education compared to around 24.22 per cent of those living above the poverty line. Undergraduate education is less accessible partly because of the high cost. Moreover, tertiary education institutions are mostly located in Bangkok and major cities, so people living in urban areas will have easier access, both in terms of transportation and cost, than those living in rural areas.

48. Inequality of land ownership in Thailand is also huge, as landholding is concentrated among a small group. Landowners in the top wealth and land ownership quintiles own more land than those in the bottom wealth quintiles (as much as 325.7 times more). Landowners in the fifth quintile (top wealth) own up to 79.9 per cent of all areas, while those in the first quintile (bottom wealth) own only around 0.3 per cent of all areas.

Changes in the health situation

49. According to the Health Statistics Report, the number of patients with a chronic non-communicable disease is increasing. In 2012 there were 1,009,389 hypertension patients, 674,826 diabetes patients, 274,753 patients with ischemic heart disease, 227,848 patients with cerebrovascular disease and 434,166 cancer patients, which represented an increase from 2011 of 9.7 per cent, 8.6 per cent, 3.7 per cent, 7.4 per cent and 6.2 per cent, respectively. Cancer has remained the leading cause of death in Thailand. This is due partly to the changes in people's lifestyles that lead to inappropriate health behaviours, such as unbalanced diet, overconsumption of sugar, salt and fat, insufficient consumption of vegetables and fruits, lack of exercise, harmful smoking and drinking, and more stressful situations.

50. Adolescent pregnancy shows an increased trend and tends to involve younger women, but prevention has remained low. The impacts of adolescent pregnancy are (a) the impact on health in terms of physical immaturity, sexually transmitted infection, abortion and risks to the newborn's health, as well as the mental stress of pregnancy and parenting, (b) the impact on education, as pregnant adolescents usually drop out of school (although they are able to return to school after giving birth, the interruption negatively affects the single adolescent mother's capacity and ability to generate income in the future), and (c) the impact on the economy. Teenage parents will lose their income opportunity, leading to less tax contribution. Likewise, the unplanned baby will place a burden on health-care and other social services.

51. The demographic structure has been changing towards an ageing society, with a decreasing proportion of children and the labour force, and an increasing proportion of elderly persons who are at risk of health problems. Chronic diseases caused by age-related degeneration of the organs include high blood pressure, cardiovascular stroke, diabetes, arthritis and Alzheimer's disease. These illnesses

will worsen the old-age dependency situation and the assistance needed hinges on the level of dependency. However, at present, the welfare provided by Government and other organizations to the elderly is not inclusive: the groups of elderly persons who cannot get access to welfare are mainly those working in the informal sector.

Environmental quality and disasters

52. Thailand's depleted natural resources and environment are a result of changes that are both physical and related to usage. Climate change further exacerbates the situation and the current trend of natural resources depletion continues, especially in the area of water use, with more shortages occurring. The unsustainable consumption patterns and behaviours in both household and manufacturing sectors are depleting resources and increasing waste. The increasing pressure on natural resources is impacting biodiversity in marine ecosystems, coastal ecology, wetlands and forests. Moreover, the coastal plain will be eroded, which in turn will cause damage to coastal communities, agricultural areas and tourist attractions, and can contribute to increased migration. Furthermore, natural disasters will become more common and will be a major obstacle to development. Areas vulnerable to floods, storms and drought will increase and will affect agricultural production, food security, energy, health and the quality of life.

Good governance

53. Continued and determined efforts should be directed to suppressing corruption and misconduct, with the increased participation of civil society and communities. This can be achieved through legislative revisions, public scrutiny and enhanced inspection and performance assessment systems.

54. Participation of the people in the public administration process should be further encouraged, particularly in economic, social and environmental development policymaking and planning at the national and local levels. In addition, the promotion of extensive, fair and prompt access to public and official information should be further pursued.

55. Thailand will need to improve public service delivery and make it more proactive, inclusive and efficient, including by increasing the number of one-stop service and joint service centres, as well as by implementing a comprehensive e-Government system.

Focus areas of the post-2015 development agenda

56. The challenging issues of the Millennium Development Goals mentioned earlier can be translated into seven focus areas of the post-2015 development agenda and its development goals, as follows:

(a) Quality birth and child development

- Reproductive health, including family planning, parental preparation, pregnancy, birth, and nutrition (including breastfeeding)
- Age-appropriate development

(b) Opportunity, quality of education and access to information

- Opportunity for education beyond the compulsory level and for educational achievement
- Access to the Internet, information and knowledge

(c) Labour productivity and social protection

- Employment, labour productivity and decent work/job
- Accessible social protection, such as social security and social welfare

(d) Values and preparation for the elderly

- Income or livelihood security and opportunity to create values for society
- Age-appropriate social protection and social services, such as long-term care

(e) Inclusive growth

- Gender equality, regional equality and equality of specific target groups, such as persons with disabilities, the elderly, children and women
- Distribution of income and assets
- Equality of opportunity and quality of social services, particularly health care, education and consumer protection
- Basic infrastructures and access to services
- Access to resources to improve quality of life, such as water supply for consumption, agriculture, land, forestry and forest products used for subsistence purposes

(f) Green growth

- Environmentally friendly production and consumption
- Sustainable conservation and use of biodiversity and the ecosystem
- Clean energy and reduction of pollution
- Preparation for climate change and disaster risk management
- Cooperation in the implementation of environmental protection and natural resource conservation activities

(g) Good governance

- Transparency and public participation in the development process and in the evaluation of the Government's operation
- Rule of law/good governance
- Human rights

V. Summary

57. Thailand has already achieved most of the Millennium Development Goals and is likely to achieve all Millennium Development Goals targets by 2015. Although various factors may be attributed to this success, effective policy and programme

interventions, including the Life Cycle Development Strategy and the Universal Health Care Scheme, have been central to these accomplishments. Moreover, the sufficiency economy philosophy — as an overarching guide to Thailand's people-centred development approach — continues to empower people and communities first and foremost. As the target date to achieve the Millennium Development Goals in 2015 approaches, Thailand is determined to realize its remaining goals while it also looks ahead to continued involvement in forming the post-2015 development agenda.

58. Thailand will continue its contribution to the global development process through its leading role in helping its neighbours as well as other developing countries to strengthen their capacity to fulfil their Millennium Development Goals commitments and redouble future development endeavours. Thailand stands ready to share its knowledge and experience in alleviating poverty and achieving the Millennium Development Goals with other countries through such means as bilateral/trilateral cooperation, South-South cooperation and multilateral frameworks which benefit not only individual countries but also regional and subregional communities and economies.

Annex

Summary of the assessment of Millennium Development Goals targets

Millennium Development Goals and MDGs Plus targets		*2014 assessment*
Goal 1	**Eradicate poverty and hunger**	
Target 1.A	Halve, between 1990 and 2015, the proportion of the population living in extreme poverty	Achieved
MDG+	*Reduce poverty to less than 4 per cent by 2009*	*Not achieved*
Target 1.B	Achieve full and productive employment and decent work for all, including women and young people	Potentially
Target 1.C	Halve, between 1990 and 2015, the proportion of the population who suffer from hunger	Achieved
Goal 2	**Achieve universal primary education**	
Target 2.A	Ensure that, by 2015, boys and girls alike will be able to complete a full course of primary schooling	Achieved
MDG+	*Universal lower secondary education by 2006*	*Not achieved*
MDG+	*Universal upper secondary education by 2015*	*Unlikely*
Goal 3	**Promote gender equality and empower women**	
Target 3.A	Eliminate gender disparity in primary and secondary education, preferably by 2005, and at all levels of education no later than 2015	Achieved
MDG+	*Double the proportion of women in the national Parliament, subdistrict administrative organizations, and executive positions in the civil service during 2002-2006*	*Not achieved*
Goal 4	**Reduce child mortality**	
Target 4.A	Reduce by two thirds, between 1990 and 2015, the under-five mortality rate	Not applicable
MDG+	*Reduce the infant mortality rate to 15 per thousand live births by 2006*	*Cannot assess owing to change of data*
MDG+	*Reduce by half, between 2005 and 2015, the under-five mortality rate in highland areas, selected northern provinces and three southernmost provinces*	*Unlikely*

Millennium Development Goals and MDGs Plus targets		*2014 assessment*
Goal 5	**Improve maternal health**	
Target 5.A	Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio	Not applicable
MDG+	*Reduce the maternal mortality ratio to 18 per 100,000 live births by 2006*	*Cannot assess owing to change of data*
MDG+	*Reduce by half, between 2005 and 2015, the maternal mortality ratio in highland areas, selected northern provinces and the three southernmost provinces*	*Potentially*
Target 5.B	Achieve, by 2015, universal access to reproductive health	Likely
Goal 6	**Combat HIV/AIDS, malaria and other diseases**	
Target 6.A	Have halted by 2015 and begun to reverse the spread of HIV/AIDS	Achieved
Target 6.B	Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it	Likely
MDG+	*Reduce HIV prevalence among reproductive adults to 1 per cent by 2006*	*Cannot assess owing to change of data*
Target 6.C	Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases	Malaria: achieved Tuberculosis: unlikely Coronary artery diseases: unlikely
MDG+	*Reduce malaria incidence in 30 border provinces to less than 1.4 per thousand by 2006*	*Achieved*
Goal 7	**Ensure environmental sustainability**	
Target 7.A	Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources	Potentially
Target 7.B	Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss	Potentially
MDG+	*Increase the share of renewable energy to 8 per cent of the commercial final energy by 2011*	*Likely*
MDG+	*Increase the share of municipal waste recycled to 30 per cent by 2006*	*Not achieved*

Millennium Development Goals and MDGs Plus targets		*2014 assessment*
Target 7.C	Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation	Achieved
Target 7.D	Achieve, by 2020, a significant improvement in the lives of at least 100 million slum dwellers	Likely
Goal 8	**Develop a global partnership for development**	
Target 8.B	Address the special needs of the least developed countries	Achieved
Target 8.E	In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries	Achieved
Target 8.F	In cooperation with the private sector, make available the benefits of new technologies, especially information and communications	Achieved